

Appn. No.: 09/995,218
Amdt. Dated February 11, 2004
Reply to Office Action dated January 14, 2004

Remarks/Arguments

1. Status of the Claims:

This Amendment is submitted in response to the Office Action mailed January 14, 2004. The status of the claims is as follows: Claims 1-24 stand rejected. Per this amendment, Claims 1, 8, 16, and 18 have been amended. No claims have been cancelled or added. Entry of the amendments and consideration of the remarks are respectfully requested. The amendments are submitted solely for clarification purposes to place the present application in condition for allowance or in better condition for appeal.

2. Rejection under 35 USC §103(a)

The Examiner rejected Claims 1-24 under 35 USC §103(a) as being unpatentable over U.S. Patent Number 5,500,513 to Langhans, et al. ("Langhans '513") in view of U.S. Patent Number 6,339,766 to Gephart ("Gephart '766"). Applicant respectfully traverses the rejection. Applicant respectfully submits that the Examiner has misconstrued the teachings of Langhans '513; that Langhans '513 teaches away from the presently claimed invention; and that Langhans '513 does not render the presently claimed invention obvious. However, solely in order for clarification purposes and to place the application in condition for allowance or better condition for appeal, Applicant, without prejudice or disclaimer, has amended claims 1, 8, 16 and 18 to recite: (i) an authorization code associated with a specific transaction; (ii) the authorization code corresponding to the established respective authorization parameter data

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associated with said specific transaction; and iii) authorization code associated with said specific transaction. These amendments are supported, at least, in the specification at paragraph 9 and in the claims as originally drafted.

The present invention is directed to a system that secures transaction cards from fraudulent uses by establishing and using an authorization code in anticipation of a specific transaction to purchase an item from a merchant in the following manner: (i) calculating an authorization code corresponding to established respective authorization parameter data associated with a specific transaction to purchase an item; (ii) providing the transaction specific authorization code to the card owner; (iii) the card owner providing the transaction specific authorization code to the merchant; (iv) receiving the transaction specific authorization code and transaction data from a merchant at the bank where an account has been previously established, (v) calculating a confirmation code at the bank, and (vi) comparing the transaction specific authorization code with the confirmation code to determine whether or not to approve the transaction. The authorization code that is calculated, provided and compared in the present invention is specific to a particular transaction. For example, if a card owner anticipates purchasing a refrigerator, but does not know when, where, from whom or at which price, the card owner can designate "refrigerator" as the selected parameter data with the bank to define this particular transaction. Then the card owner's bank uses this parameter data for generating a transaction specific authorization, which now can only be used with the purchase of a refrigerator. With subsequent transactions, the card owner has flexibility and can select different parameters to describe the specific

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transaction, such as geographic location, date, merchant name, etc. Again, the card will be authorized for a purchase only if the transaction specific authorization code matches the confirmation code for that specific transaction. The present invention thus provides increased protection against fraud while giving the card owner flexibility to define which transactions are authorized on a transaction specific basis.

The Examiner relies on Langhans '513 to render the present invention obvious and, more specifically, points to col. 2, lines 56+ of Langhans '513 as teaching the authorization code that is provided to the merchant in the present invention. Applicant respectfully submits that the Examiner has misconstrued the teachings of Langhans '513 as applied to the present invention. The disclosure at col. 2, lines 56+ of Langhans '513 simply refers to a unique card number that is permanently encoded on the credit card. This unique card number includes an individual account number and a bank identification, just like any other typical credit card, and is used solely to identify the card user and the account. The authorization request in Langhans '513 merely consists of transmitting this static card number to a credit card processing center to determine if the individual using the card is authorized. There is no teaching or suggestion in Langhans '513 that this unique card number is a dynamic number that changes depending on the specific transaction. Similarly, there is no teaching or suggestion in Langhans '513 that the unique card number is generated for a specific transaction from transaction specific data that has been inputted by the card owner in anticipation of a particular transaction. The unique card number in Langhans '513 is a unique number that is permanently encoded on the credit card and has no relationship to any particular transaction.

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Moreover, Langhans '513 specifically states that its system requires no human intervention during the purchasing process (see Langhans '513, column 2, lines 19-36), and the database in Langhans '513 does not contain transaction records corresponding to a specific transaction. Further, nothing in Langhans '513 provides any teaching, motivation or suggestion of at least the following: (i) calculating an authorization code corresponding to established respective authorization parameter data associated with a specific transaction to purchase an item; (ii) providing the transaction specific authorization code to a card owner; (iii) providing the transaction specific authorization code to a merchant during a transaction; (iv) receiving the transaction specific authorization and transaction data from a merchant at the bank where an account has been previously established; (v) calculating a confirmation code; and (vi) comparing the transaction specific authorization code with the confirmation code to determine whether or not to approve the transaction. Langhans '513 only discloses an automated purchasing control system that customizes purchasing abilities according to a business' hierachal structure without referring to a specific transaction.

The Examiner's reference to U.S. Patent Number 6,339,766 B1 to Gephart (Gephart '766") does not cure the deficiencies of Langhans '513, because Langhans '513 specifically teaches away from the presently claimed invention. Furthermore, there is no teaching or suggestion in Gephart '766 of calculating a transaction specific authorization code, providing the transaction specific authorization code to the merchant, and comparing the transaction specific authorization code to a confirmation code to authorize a transaction.

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Accordingly, Applicant respectfully submits that the rejection is moot and respectfully submits that claims 1-24 are patentable over the cited references. Furthermore, Applicant reserves the right to pursue claims including those of the scope of original claims 1-24.

Dependent claims 1, 2-7, 9-15, and 19-24 depend directly or indirectly from the respective independent claims and are patentable over the cited references for at least the same reasons.

Based on the amendments and reasoning provided above, it is respectfully submitted that all claims are in condition for allowance, and early and favorable action thereon is requested. Accordingly, Applicant respectfully requests that the Examiner withdraw the rejection. If the Examiner finds reason not to allow all claims, the Examiner is respectfully urged to telephone the undersigned attorney for Applicant.

Respectfully submitted,


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